

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
FOREST VIEW ACRES WATER DISTRICT
AND THE BOARD OF DIRECTORS OF THE
WATER ACTIVITY ENTERPRISE
HELD
AUGUST 24, 2006

A regular meeting of the Board of Directors of the Forest View Acres Water District and the Board of Directors of the Water Activity Enterprise (referred to hereafter as "Board") was held on Thursday, the 24th day of August, 2006, at 5:30 P.M. at the Tri Lakes Fire Department, Station No. 1, 18650 Highway 105, Monument, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:
Barbara Reed-Polatty, Chairman
Eckehart Zimmermann
Richard Crocker
Jeff Walker

Upon motion duly made by Director Walker, seconded by Director Crocker and, upon vote, unanimously carried, the absence of Kajetan Nowacki was excused.

Also In Attendance Were:
Lisa Johnson and Deborah D. McCoy; Special District Management Services, Inc.

Paul C. Rufien, Esq.; Paul C. Rufien, P.C.

Mike Bacon; Community Solutions, Inc.

Mark Youker; ASCG Incorporated

Dan LaFontaine; Operations Manager

See attached list for others in attendance

ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the District's Regular Meeting. Following discussion, upon motion duly made by Director Zimmerman, seconded by Director Walker

RECORD OF PROCEEDINGS

and, upon vote, unanimously carried, the Agenda was approved.

Minutes: The Board reviewed the minutes of the July 27, 2006 regular meeting. Following discussion, upon motion duly made by Director Zimmermann, seconded by Director Crocker and, upon vote, carried with Directors Reed-Polatty, Zimmerman and Crocker voting "Yes" and Director Walker abstaining, the Board approved the minutes of the July 27, 2006 regular meeting.

Public comments on agenda items: No comments were made.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims for the period ending August 24, 2006, totaling \$38,382.94. The Board determined to hold check #1385 until a better itemization of ASCG's bill is received, void check #1398 and reissue check #1337 for \$4,614.75.

Following discussion, upon motion duly made by Director Crocker, seconded by Director Zimmermann, and upon vote, unanimously carried, the Board approved payment of claims for the period ending August 24, 2006, totaling \$38,382.94, as presented, with the above-noted exceptions.

Financial Statements: Discussion on the unaudited financial statements through the period ending July 31, 2006 was deferred.

BILLING MATTERS

Billing Report: The Board reviewed the Billing Report for July 2006 water usage and directed staff to file liens on all AOS properties owing \$640 or more, with the exception of the Neese property, and include the cost of filing the lien to the amount owed.

Rate and Fee Audit: Director Reed-Polatty noted that several properties within the District are not recorded on the El Paso County Assessor's list.

Following discussion, upon motion duly made by Director Zimmermann, seconded by Director Crocker, and upon vote, carried with Directors Reed-Polatty, Zimmerman and Crocker voting "Yes" and Director Walker voting

RECORD OF PROCEEDINGS

"No", the Board approved the proposal by Community Solutions, Inc. to prepare a rate and fee audit in an amount not to exceed \$1,440, or 16 hours at \$90/hour.

LEGAL MATTERS

Red Rock Reserve development: Attorney Rufien noted that the district is operating under the current agreement, so there is nothing new to report.

Wilde Property Water Service: Attorney Rufien reported that he has not received a response from Wilde's attorney at this time. The Board directed staff to send a certified notice of delinquent account each month per the Rules and Regulations.

Proposal for Contract Operations: The Board reviewed the proposals and will schedule a meeting with Community Solutions, Inc. to clarify questions and review their contract.

ELECTION

November 2006 Election: The Board discussed the upcoming election. The four present Directors re-stated their decision to go forward with the November election.

Homeowners' Association ("HOA") Public Meetings: There are three HOA meetings scheduled: Red Rock Reserve HOA on September 11 and October 9, 2006, both at 7:00 p.m. at Tri-Lakes Fire Station; and Shiloh Pines HOA on September 10, 2006, at 6:00 p.m., at the Lake Meadow Drive cul-de-sac.

OPERATIONS REPORT

Water Operator report: Mr. LaFontaine distributed and reviewed the Operational Report and the Production Report for July 2006.

Interim operations update: Mr. Bacon reported that recorders and alarm systems are needed at both plants.

Dawson Well: Testing. Mr. Bacon reported that the total cost of testing the Dawson Well is \$19,200. Mr. Bacon stated that he will obtain two additional bids.

RECORD OF PROCEEDINGS

Outfitting. Mr. Bacon estimated the outfitting cost at \$40-50,000.

Service contract with Layne Western: The Board discussed the approval of a service contract with Layne Western for Variable Frequency Drive ("VFD") replacement. Following discussion, upon motion duly made by Director Crocker, seconded by Director Walker, and upon vote, with Directors Crocker and Walker voting "Yes" and Directors Reed-Polatty and Zimmerman voting "No", the motion to approve failed.

Following further discussion, upon motion duly made by Director Crocker, seconded by Director Zimmerman, and upon vote, unanimously carried, the Board approved a contract with Layne Western, subject to final legal review.

Map Preparation: Following discussion, Director Crocker volunteered to prepare a map of the district showing the proposed new improvements.

OTHER BUSINESS

Public comments: Scott Miller-requested that information be provided to residents in a timelier manner in the future.

Bill Martin-had questions about the mill levy, including what it is and what the increase will be on his tax bill.

Val Martin-asked the Board to explain how a resident can sell his/her home with all of the attached rates, fees, charges and potential mill levy.

Susan Gates-asked for financial information, including how much has been paid to date to Special District Management Services, additional consultants, and attorneys. Ms. Gates asked for this information to be presented to residents, validated and attested to its accuracy. In response to additional questions, Attorney Rufien stated that there was no suit with Wells Fargo at this point and he had no substantive update. The forensic audit can be released subject to open records request.

RECORD OF PROCEEDINGS

Fred Malmstrom-asked to see the repayment chart for the entire repayment of the bonds.

John Novotny-asked the Board about the possibility of having Monument provide water service and the District dissolving. The Board stated that Monument would have to come forward with a proposal.

Dan Spiegelberg-asked the Board to educate the public and stated that the District is pushing the election too fast.

Bob Goldman-asked if a second opinion on the proposed improvement to the system would be helpful to compare to the assessment prepared by ASCG.

Anne Bevis-wanted to know if there was any Board discussion on re-activating the technical committee. She also recommended the District lease rather than sell water rights.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by and seconded and, upon vote, unanimously carried the meeting was adjourned.

Respectfully submitted,

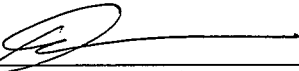
By


Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES APPROVED AS THE OFFICIAL AUGUST 24, 2006
MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE
BOARD OF DIRECTORS SIGNING BELOW:


Barbara Reed-Polatty


Eckehart Zimmermann

Kajetan Nowacki

Richard Crocker


Jeff Walker

Please **print** your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

August 24, 2006

NAME	ADDRESS	TELEPHONE/EMAIL	ISSUE(S) TO BE ADDRESSED
Scott Miller	4340 Sandstone	481-8138	Bond Issue
Bill Martin	18230 Stone View Rd	481-3673	Bond Issue - Election
Vai Martin	18205 Ston View	481-3673	" " "
Susan Gates	18235 Sunburst Dr	487-1606	EXPENSES
FREDERICK PALMISTON	"	"	
John Heiser	OCN PO Box 1742 Mount	488-3455	None
Mindy LaFontaine	Palmer 100 Middle Glenway Lake	644-4821	None
JOHN J. NOVOTNY	MONUMENT 4735 REA FOREST RD	481-3364	Bond Issue - Election. MONUMENT-ANNEXATION
DAN SPEERBERG	18230 SUNBURST DR.	487-1994	BOND ISSUE
Phyllis Moore	3855 Sierra Vista Rd.	488-0721	Bond Issue Monument District
GIL MOORE	"	"	"

Please ***print*** your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

NAME	ADDRESS	TELEPHONE/EMAIL	ISSUE(S) TO BE ADDRESSED
Jeff Dull	3745 EL Rancho Way Memument	jmd@adelphia.net	Status of Wells Fargo suit
Barb Gonsma	9 Limestone Rd	481-3688 Gonsma Barbara	Proposed improvements to District
Anne Bevis	9 Limestone Rd	481-3688	Engineer's report recommending improvements to the district / feedback